



CRFB Reacts to House Budget Proposal March 17, 2015

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The following is a statement by Maya MacGuineas, president of the Committee for a Responsible Federal Budget, on the budget plan released today by House Budget Committee Chairman Tom Price (R-GA.)

“This budget’s commitment to deficit reduction and entitlement reform is welcome news. Under Chairman Price’s budget, debt would fall from almost 74 percent of GDP today to 55 percent by 2025, and would achieve a balanced budget by 2024. The Budget Committee rightly understands the importance of debt reduction for economic growth and sustainability.

“The budget takes aim at the key drivers of our debt problem – entitlement programs – and calls for reforms of Medicare and Social Security. This openness to structural reforms of our entitlements is necessary to get our debt under control.

“Overall, the budget cuts \$5.5 trillion over 10 years. Importantly, it also creates a mechanism for committee chairmen to take steps to enact entitlement reform.

“While the goals put forward by the budget resolution are praiseworthy, the details are in some ways unrealistic and unspecified. There also appear to be several budget gimmicks that circumvent budget discipline and artificially reduce the size of the deficit on paper.

“Most glaring is the reliance on the Overseas Contingency Operations to sidestep the effects of the sequester. The plan would provide \$94 billion for OCO, or \$36 billion more than the President requested for OCO. This back door effectively provides the same amount of sequester relief as the President proposed without offsetting the costs of higher spending. Congress should make the hard decision to offset the costs of sequester relief rather than shift funding to mask its real cost. This OCO gimmick should be a non-starter.

“In addition, the budget appears to propose significant discretionary and mandatory cuts with little detail about where they would come from, along with Medicare spending and revenue levels that seem inconsistent with past efforts to deficit-finance permanent “tax extenders” and current efforts to pass an SGR fix without paying for all of the costs. Policymakers need to remain open to making changes and compromises to get a realistic budget plan in place.



“We hope both parties in Congress and the President treat this as a first step in getting a viable budget in place.

“The goal of reforming entitlements and the tax code, stemming the tide of red ink, and putting the debt on a sustainable long-term path is not an easy one, but it is incredibly important, and we hope lawmakers will work together to get this job done.”

For more on the budget resolution, see our [blog](#) and check crfb.org for ongoing analysis.

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